

## The complaint

Miss F complains that Quidie Limited trading as Fernovo (“Quidie”) lent to her irresponsibly.

## What happened

Miss F took three loans from Quidie. Here is a table giving a few details. Monies were owed on loan 3 in September 2024. It's unclear whether loan 3 remains outstanding.

Loan	Approved	Amount and term	Highest repayment month (rounded)	Status
1	11 September 2022	£200 4 months	£77	27 March 2023
2	1 May 2023	£400 4 months	£166	31 August 2023
3	5 September 2023	£500 6 months	£160	Unknown

Loan 1 was repaid late.

After Miss F had complained, Quidie responded to explain why it considered it had carried out the right checks. It did not uphold Miss F's complaint. It made a goodwill offer which Miss F did not accept that may still be available but it will be for Miss F to check that.

After the complaint had been referred to the Financial Ombudsman Service, one of our investigators thought that Quidie did not have to do anything to put things right for Miss F. Our investigator addressed a couple of other points Miss F had raised.

Miss F disagreed with that outcome and the unresolved complaint was passed to me to decide.

## What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've set out our general approach to complaints about this type of lending - including all the relevant rules, guidance, and good industry practice - on our website.

Quidie had to assess the lending to check if Miss F could afford to pay back the amounts she'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Quidie's checks could've considered several different things, such as how much was being lent, the size of the repayments, and Miss F's income and expenditure.

I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest Quidie should have done more to establish that any lending was sustainable for Miss F. These factors include:

- Miss F having a low income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income).
- The amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income).
- Miss F having many loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable).
- Miss F coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Miss F. I don't think that this applied to Miss F's circumstances as only three loans were approved for her.

Quidie was required to establish whether Miss F could *sustainably* repay the loan – not just whether she technically had enough money to make her repayments. Having enough money to make the repayments could of course be an indicator that Miss F was able to repay the loans sustainably. But it doesn't automatically follow that this is the case.

Miss F in her complaint form, accepted that the £3,400 a month income figure used by Quidie in its assessments was about right. And I have seen that Quidie had obtained all of the payslips from Miss F for each of the loans. So, I do not consider that I need address income here.

Having reviewed all the information I have for each of the loans in respect of the credit checks Quidie carried out then I think it did do proportionate checks. I assessed the information it had. I can see that there was adverse data on the three sets of credit reports, but were mostly historic going back several years before loan 1. And as Quidie is the sort of lender which is not put off by applicants with adverse credit file data then the information it got for Miss F would not likely have made a difference to its lending decisions.

Miss F's monthly credit commitments were between around £383 and £427. It may be that the figures Quidie used were not quite right. But, if Quidie had added these higher credit commitment amounts to the rest of the monthly outgoings it took into consideration at the time of each of the loan applications, this would've still left Miss F with a monthly disposable income of between around £853 and £2,268 to meet the monthly repayments for each of the loans.

Miss F referred to the County Court Judgment (CCJ) imposed on her in October 2019. I have thought about that. And Miss F has pointed out it had not been settled by her so it remained outstanding when Quidie lent to her. But, overall, I doubt this would have altered Quidie's approvals. The CCJ had been obtained by a different lender several years before loan 1.

The assessments Quidie did for each of the loans indicated to it that Miss F could afford the loans. These were for relatively modest sums over relatively short periods.

I do not uphold the complaint about irresponsible lending.

#### *Other matters*

Miss F has raised the issues surrounding the interest charged. Our investigator's view letter covered this in detail and it's clear that Quidie's charging structure did not breach the Financial Conduct Authority (FCA) high cost loan cap regulations. And Miss F did not appear

to challenge that part of our investigator's view when she responded to it last month.

In any event I have reviewed it all and I agree with what our investigator set out in her view. I do not set it all out again here.

Miss F has said that the response to her complaint was poor in that the goodwill offer pressurised her into accepting. But Miss F did not accept it. Instead, she did what she considered was right and referred it to us. Miss F has said that the goodwill offer made by Quidie undermined the integrity of her complaint. But having referred it here and rejecting that offer, then I consider her complaint retained its integrity and has been fully investigated. So, I do not take this point about 'pressurisation' any further.

### **My final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 7 May 2025.

Rachael Williams  
**Ombudsman**